CALIFORNIA
ENERGY
COMMISSION

FORMS AND INSTRUCTIONS FOR PUBLICLY-OWNED UTILITIES SUBMITTING RETAIL ELECTRICITY PRICE DATA

In support of the
2007 Integrated Energy Policy Report

COMMISSION REPORT

March 2007
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Arnold Schwarzenegger, *Governor*

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TABLE OF CONTENTS

Abstract

The staff of the California Energy Commission's Electricity Analysis Office prepared these instructions and forms to collect specific financial and sales data from selected publicly-owned utilities in California. Responses to this data request will be used to prepare a forecast of average retail electricity prices for the years 2007 through 2018.

Keywords

Retail electricity price forecast, data request, publicly-owned utilities

EXECUTIVE SUMMARY

As part of the California Energy Commission's 2007 Integrated Energy Policy Report, the staff will prepare a ten-year forecast of retail electricity prices. Financial data for this forecast must include data provided by California's 13 largest publicly-owned utilities (POUs).

This report instructs the POUs to provide specific financial data to the Energy Commission. To facilitate this data collection effort, the staff prepared an Excel Workbook for each POU. These Excel Workbooks are the Energy Commission-adopted forms.

Each POU's Excel Workbook contains the following forms:

- Form 1.a (POU) – Budget Appropriations or Actual Costs and Cost Projections by Major Expense Category
- Form 1.b (POU) – Revenue Allocation by Customer Class
- Form 1.c – Retail Electricity Sales by Customer Class
- Form 4 – Pricing Factors for Purchased Power

Some POUs' Workbooks also include Form 2 – Electricity Sales in 2005 by Commercial/Industrial Rate Schedule and Selected NAICS Categories.

In addition to completing each data form, this report directs the POUs to provide answers to survey questions regarding their assumed inflation rate included in their natural gas fuel-price forecast and their use of rate stabilization funds.

This report's filing instructions explain when, where, and how to file completed data forms and written responses to the survey questions. Its general instructions explain how to express all financial data.

INTRODUCTION

The California Energy Commission is requesting selected financial and sales information from each of California's largest electric publicly-owned utilities (POUs), investor-owned utilities (IOUs), and energy service providers (ESPs). This information will be used by the staff to forecast average retail electricity prices for 2007 through 2018.

Average prices, not prices under specific rate schedules, will be projected for four classes of retail electricity customer in each POU and IOU service territory: residential, commercial, industrial, and agricultural. ESP prices will be forecasted for residential and non-residential customers only.

The initial use of this forecast will be as an input to the Energy Commission's forecast of electricity demand. Specifically, forecasted changes in electricity prices are assumed to affect how much electricity consumers will buy. In addition, an Energy Commission-adopted retail price forecast will be published as part of the *2007 Integrated Energy Policy Report* (*IEPR*).

This is the only long-term forecast of retail electricity prices prepared by a California state agency. It does not duplicate other state-agency work.

The Energy Commission uses the retail price forecast to evaluate the cost-effectiveness of state energy policies. For example, it evaluates the economics of proposed changes to the Title 24 Building Energy Efficiency Standards using the forecast. Another Energy Commission use of the retail price forecast is for calculating paybacks for energy-saving equipment installations on public buildings.

The Energy Commission's adopted retail price forecast is used by other government agencies to budget for their facilities' utility bills. Throughout the year, Energy Commission staff also directs the public to its published retail price forecast. Public uses of the retail price forecast include budgeting for electricity bills and evaluating the cost-effectiveness of energy efficiency measures and distributed generation projects.

The state law mandating the *IEPR*, Chapter 568 of the Statutes of 2002, requires the Energy Commission to conduct an "assessment of …the outlook for…retail prices…for…electricity…under current market structures and expected market conditions." To perform this forecast, the Energy Commission is authorized to "require submission of demand forecasts, resource plans, market assessments, and related outlooks from electric…utilities…and other market participants." Furthermore, the Energy Commission's regulations require "each electric…utility [to] submit, according to forms and instructions adopted by the Energy Commission, a forecast of energy prices which corresponds to the utility's demand forecast and resource plan. Each electric utility shall also submit a

forecast of utility financial variables consistent with the forecast and plan (emphasis added)."

The Energy Commission has issued other data requests to support the *2007 IEPR* in addition to this one. For example, in October 2006, the staff issued *CEC-200-2006-001-CMF*, requesting data to support an electricity demand forecast. The staff issued *CEC-100-2006-002-CMF* on January 5, 2007, requesting copies of utilities' and ESPs' resource (procurement) plans to support the Energy Commission's assessment of long-term electricity supply. Each electric utility or ESP response to this retail-price data request should be consistent with the demand forecasts and electricity resource (procurement) plans submitted to the Energy Commission under these two previous data requests (that is, data submitted under Demand Forms 1.1 through 6 and Supply Forms S-1 through S-5, as applicable).

This document contains the instructions and survey questions for POUs only. The Energy Commission adopted Forms and Instructions for IOUs and ESPs on February 14, 2007.

If respondents have questions about the information being requested, or find a part of these instructions to be ambiguous, Energy Commission staff will work with POU staff to clarify what information is being requested. General questions about the forms or instructions should be directed to Mignon Marks at [mmarks@energy.state.ca.us] or (916) 654-4732 or to Ruben Tavares at [rtavares@energy.state.ca.us] or (916) 654-5171.

More specific questions may be directed to the following Electricity Analysis Office staff members, who have been assigned to prepare retail price forecasts for the following POUs:

Staff Contacts	**Publicly-Owned Utilities**
Mary Ann Miller [mmiller@energy.state.ca.us] (916) 654-4813	City of Redding Imperial Irrigation District Modesto Irrigation District Turlock Irrigation District
Helen Sabet [hsabet@energy.state.ca.us] (916) 651-9943	City of Burbank City of Glendale City of Los Angeles City of Pasadena Sacramento Municipal Utility District
Kurt Pisor [kpisor@energy.state.ca.us] (916) 654-4921	City of Anaheim City of Riverside City of Roseville Silicon Valley Power

FILING INSTRUCTIONS

When to File

In adopting these Forms and Instructions, the Energy Commission is requiring that the utilities file the specified financial and sales data, using the forms provided by the Energy Commission, on or before **March 30, 2007**.

At a later date, the IEPR Committee, comprised of two Energy Commissioners, may direct POUs to file additional data for assessing particular scenarios, topical issues, or policy recommendations.

Who Must File

Every electric POU in California with retail customers and whose peak retail loads were greater than 200 MW in either 2005 or 2006 must file the requested data. The Energy Commission staff has identified the following POUs electric utilities that it believes meet the 200 MW criterion:

- Cities of Anaheim, Burbank, Glendale, Los Angeles, Pasadena, Redding, Riverside, Roseville, and Santa Clara (Silicon Valley Power);
- Imperial Irrigation District, Modesto Irrigation District, Turlock Irrigation District; and
- Sacramento Municipal Utility District.

Exemptions for Small Load-Serving Entities

For this specific IEPR proceeding, the Energy Commission is not requesting data for a retail price forecast from any POU with peak retail loads less than 200 MW in both 2005 and 2006.

What Must Be Filed

To expedite the data-collection-and-submittal process, an Excel Workbook (.xls file), containing labeled tabs for each Worksheet (required form) has been prepared for and e-mailed to each POU. In addition, templates of "generic" POU forms have been posted as Excel Workbooks on the Energy Commission website at:

www.energy.ca.gov/2007_energypolicy/datacollection/

Respondents are required to provide the following:

- A brief cover letter, addressed to the Energy Commission's Docket Office and referencing Docket No. 06-IEP-1H

- A compact disc containing all required data that has been stored in the appropriate Excel Workbook, plus any other electronic files in Microsoft Word or Excel, and
- One paper copy of each completed data form (Excel Worksheet) and a paper copy of each Microsoft Word file.

Printed copies of completed forms must include the Excel Worksheet row and column headings. Please follow these steps to ensure that these headings are included on each printed form:

- Open the Excel Worksheet
- Go to "File," then "Page Set-Up…"
- Select the "Sheet" tab, click the "Row and Column Headings" box, and then hit "OK."
- Go back to "File," and then "Print."
- Choose to print either the "Active Sheet" or the "Entire Workbook."

Do not submit any electronic data in portable document format (PDF).

If used, the Application for Confidential Designation form must be submitted as a paper copy, because of the need for a "wet" signature on the "Penalty of Perjury" certification.

If any requested data are not applicable to a respondent, that portion of the Worksheet can be left blank. The Energy Commission staff, however, requests that respondents explain in writing (for example, in the cover letter) why the data was not provided.

The following list identifies which utilities are responsible for completing which forms:

- Forms 1.a through 1.c ► All POUs
- Form 2 ► Anaheim, Glendale, Los Angeles, Pasadena, Riverside, Roseville, Santa Clara (Silicon Valley Power), Imperial Irrigation District, and Sacramento Municipal Utility District
- Form 4 ►All POUs

Where to File Completed Forms

Once completed, please submit all forms to:

California Energy Commission
Docket Office
Attention: Docket 06-IEP-1H
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

Data that is submitted with an Application for Confidential Designation, however, must be sent to the Executive Director of the Energy Commission rather than to the Docket Office, as explained in the next section.

How to Apply for Confidential Designation of Submitted Data

The Executive Director of the Energy Commission has the overall responsibility for determining what information provided to the Energy Commission is confidential. This section outlines the application process. A more detailed description of this process is provided in Title 20 of the California Code of Regulations, Section 2501 et seq.

Parties must make a separate, written application to the Executive Director that specifies which data within the body of all submitted material warrants a confidential designation. A document or electronic file bearing a "confidential" stamp will not suffice. A formal application is necessary.

The following information items are needed by the Executive Director to make a confidentiality determination:

1) A printed cover letter bearing the following address:

   B.B. Blevins, Executive Director
   California Energy Commission
   1516 Ninth Street, MS 39
   Sacramento, California 95814-5504

2) The data. For this data request, the data must be submitted on a compact disc that bears the name of the utility and the following sub-docket number: Docket #06-IEP-1H.

3) A completed Application for Confidential Designation form, and

4) A signed and dated "penalty of perjury" certification containing the following paragraph, signature line, and signature:

   > "I certify under penalty of perjury that the information contained in this application for confidential designation is true, correct, and complete to the best of my knowledge. I also certify that I am authorized to make this application and certification on behalf of the applicant."

   Please note that the "penalty of perjury" certification is included in the Application for Confidential Designation form at the end of that form.

The four items listed above must be hand-delivered or mailed to the Executive Director's office in a sealed package (or envelope) marked "Confidential." The applicant must never send data that is part of its Application for Confidential Designation package directly to the Docket Unit.

An Application for Confidential Designation form in portable document format (PDF) is provided within this publication as Appendix A. If, however, the applicant must create its own version of this form for any reason (for example, more space on the form is needed to provide a thorough response), then the applicant's version of the form must duplicate the Energy Commission's Application word for word.

The Application submitted to the Executive Director must contain the following information:

1) Identification of the information being submitted, including title, date, file size (for example, pages, sheets, MB), and sub-docket number. For data submitted in an Excel Worksheet, the Application should clearly list the specific rows, columns, or cell addresses containing the "confidential" data (for example, Form 1.a (POU), cells B14 through P14).

2) Description of the data for which confidentiality is being requested;

3) Description of the length of time for which confidentiality is being sought, with an appropriate justification, for each confidential data category request;

4) Identification of applicable provisions of the California Public Records Act (Government Code Section 6250 et seq.), and/or other laws, for each confidential data category request;

5) A statement attesting either: (a) that the specific records to be withheld from public disclosure are exempt under provisions of the Government Code, or (b) that the public interest in non-disclosure of these particular facts clearly outweighs the public interest in disclosure; and

6) A statement that describes how each category of confidential data may be aggregated with other data for public disclosure.

Data for which the applicant seeks confidential designation must be submitted to the Executive Director with a cover letter and an Application for Confidential Designation. All other (that is, public) data must be sent to the Docket Unit. To separate confidential from public data, the applicant should create a public and a non-public version of each form (Excel Worksheet). If this approach is impractical, then the applicant must submit one copy of the form containing both public and non-public (that is, data subject to a pending Application) data. The Energy Commission staff strongly encourages the applicant to visually separate

the non-public data by providing it in red ink rather than black. This approach would facilitate protection of the non-public data and streamline the application-review process.

Application packages deemed incomplete will not be reviewed by the Executive Director. Instead, incomplete application packages will be placed in a "suspense" file and the filer will be notified by mail and by e-mail about the deficiencies in the application. The filer has 14 calendar days to correct the deficiencies and to deliver to the Executive Director replacement copies of the deficient cover letter, data (on compact disc and a printed copy), or complete Application for Confidential Designation, including the signed and dated "penalty of perjury" certification. If the Executive Director has not received the replacement copies after 14 calendar days from the date the letter was received, all information associated with the deficient application package will be deemed public information and docketed accordingly.

Once an application package is complete, the Executive Director of the Energy Commission has 30 days to decide on the confidentiality request. Confidentiality determination letters are signed by the Executive Director.

If the letter states that the Executive Director has determined that the submitted data does not warrant confidential designation, then the applicant has 14 calendar days to appeal the Executive Director's decision.

More specific questions about confidentiality may be directed to Fernando DeLeon at [fdeleon@energy.state.ca.us] or (916) 654-4873.

GENERAL INSTRUCTIONS FOR RETAIL PRICE FORECASTING FORMS

Forms 1.a through 1.c and Form 4 have columns for reporting annual data from 2004 through 2018. For years 2004 through 2007, POUs are requested to report either budget appropriations or actual historical expenses, whichever data is easier for the POU to provide. Even though the forms refer to requested financial data as "expenses" or "costs," budget appropriation data for 2004 through 2007 is acceptable.

For years 2008 through 2018, POUs are requested to provide reasonable estimates of future costs. Forecasts of future operating expenses may be based on recent historical trends, but if the POU is aware of internal changes that could result in specific cost increases or decreases, these changes should also be reflected in the forecast.

Projections of annual capital improvements should be based on the POU's current capital improvement plan and current cost estimates to implement each project. The POU need not speculate about future expenses for major projects (for example, a new power plant or transmission line) that are not already in its current capital improvement plan. A forecast of minor capital improvement projects (for example replacements, expansions, upgrades), however, should be included in the forms, based on recent historical costs for similar projects. Similarly, a forecast of debt service expenses should be based on the POU's maturing and outstanding debts and its current plans to issue new debt instruments.

Provide Financial Data in Nominal Dollars

Provide all financial data in nominal (current-year) dollars, rather than in real (or constant) dollars. Historical information should also be provided in nominal dollars.

The Energy Commission staff intends to convert all respondents' financial data from nominal dollars to real dollars, using a Gross Domestic Product implicit price deflator series.

Provide Financial Data in Thousands of Dollars

For many electric utilities, some categories of financial data will amount to millions of dollars each year. Round off all financial data to the nearest thousand of dollars. For example, $15,000,000 would be reported as $15,000.

Provide Data in Fiscal Year or Calendar Year

All forms request only annual data. Some electric utilities maintain their financial records using a fiscal-year accounting system (for example, July 1 to June 30), while others use the calendar year (that is, January through December). Each utility may use either fiscal year or calendar year data to report (or project) annual data, depending on which accounting system they normally use to report financial data.

For utilities that will report fiscal-year data, the "year" is the starting year of a fiscal year. For example, data requested for 2006 is data for Fiscal Year 2006-2007.

The following sections describe the purpose and contents of each form and provide definitions of selected cost categories.

INSTRUCTIONS FOR FORM 1.A (POU)
Budget Appropriations or Actual Costs and Cost Projections by Major Expense Categories

The purpose of this form is to gather financial data needed for both trend analysis and for forecasting retail electricity prices of California's major POUs.

Through this form, Energy Commission staff seeks to learn each POUs' recent-historical and projected annual revenue requirements. The form identifies three major cost categories: operating expenses, capital outlay, and debt service, plus appropriations from POU revenues into reserve funds, city General Funds, or other municipal accounts.

The following instructions define what financial information to report or project under each cost categories. For Years 2004 through 2006, POUs are requested to report their approved-budget appropriations or actual costs, whichever data is more readily available to the POU.

Operations Expenses

A POU's operating expenses are its costs to operate and maintain its power generation, transmission, and distribution systems and to provide billing and information services to its customers and others. POUs' governing boards or city councils adopt annual or biennial "operating expense" budgets that appropriate electricity sales revenues (and other income) to pay these expenses. The same costs identified in POUs' operating-expense budgets will be reported and projected in this section of the form.

Form 1.a organizes operating expenses into two broad categories: operations and maintenance of power production, transmission, and distribution assets; and customer-related expenses.

Power Production

POUs' power production expenses include costs for labor, materials, fuel, supplies, and services of operating and maintaining utility-owned power plants; and for power purchases. Form 1.a (POU) divides power-production expenses into two categories:

- Utility-owned generation, and
- Power purchases

Utility-Owned Generation

Utility-owned generation expenses are costs for operating and maintaining electric generating facilities that were built or acquired by the POU. Power plants built and jointly owned by multiple POUs through joint powers agencies (JPAs) are not included in this section of Form 1.a (POU). Similarly, if the POU financed power plant construction through a subsidiary financing authority at that financing authority now has a power purchase agreement with the POU, that power plant is not "utility-owned generation."

Through Form 1.a (POU), the Energy Commission staff requests data on operating and maintenance expenses for utility-owned generation by the following types of fuel or resource:

- Nuclear
- Conventional hydroelectric
- Hydroelectric pumped storage
- Natural gas-fired generation
- Coal
- Generation from renewable resources

POUs may leave blank those rows in Form 1.a for which they do not own a specific type of generating facility.

Costs are divided into two subcategories:

- Fuel expenses, and
- Other operations and maintenance expenses

In addition to the fuel commodity (for example, natural gas), fuel expenses include labor for purchasing and handling fuel, payments for natural gas pipeline use or coal transportation services, payments for fuel-storage facilities, insurance, sales commissions, and residual disposal expenses. For hydroelectric facilities, fuel expenses include water purchases, and payments for licenses or permits for water rights, and payments for riparian rights. For hydroelectric pumped storage facilities, fuel expenses include electricity costs for off-peak pumping.

For both natural gas-fired and coal-fired power plants, the Energy Commission staff also requests each POU to provide its fuel price forecasts in dollars per million of British Thermal Units.

Survey Question: In a Word file, please provide the inflation component used to construct each fuel price forecast.

"Other Operations and Maintenance" expenses include labor costs for operating and maintaining the structures and equipment used for electricity generation, and for supplies and operating permits.

Power Purchases

Power-purchase expenses are costs to the utility for electricity purchased for resale. They include net settlements for exchanges of electricity or power, such as economy energy and for transactions under pooling or interconnection agreements.

Form 1.a (POU) requests historical and projected cost details for the following categories of purchased power:

- Federal power
- Contracts with joint powers agencies (JPAs)
- Contracts with POU's subsidiaries
- Bilateral contracts

The Energy Commission staff did not ask for cost information about short-term and spot-market power purchases, because these purchases are assumed to be a small share of the POU's supply portfolio and their future costs, unpredictable.

Federal power

POUs are requested to provide cost information for power purchased and to be purchased from the Western Area Power Administration (Western). If a POU also has a contract with the Bonneville Power Administration, those power-purchase costs should be added to its Western supply costs and report as one annual total.

Contracts with Joint Power Agencies

California's POUs have co-funded many power plant (and transmission line) projects through many JPAs, including the Northern California Power Agency and the Southern California Public Power Agency. JPAs own these electricity generating facilities, but the participating POUs are obligated to help pay for a project's capital and operating costs and debt service through contracts (that is, power purchase agreements).

Because POUs may have many power purchase agreements with different JPAs, Form 1.a (POU) asks for power-purchase costs by type of generating facility.

The types of generating facilities listed in the form are:

- Nuclear

- Coal
- Conventional Hydroelectric
- Natural Gas-Fired
- Renewable Resources

Contracts with POU Subsidiaries

POUs may have financed power-plant construction through subsidiaries (for example, SMUD Financing Authority) rather than the POU, itself, issuing a revenue bond or another type of debt instrument. The POU subsidiary owns the electricity generating facility, but the "parent" POU is obligated to help pay for a project's capital and operating costs and debt service through a contract (that is, a power purchase agreement).

In Form 1.a (POU), please provide annual costs for purchased power from these subsidiaries. If more than one power purchase agreement exists, please report an aggregated total.

Bilateral Contracts

Bilateral contracts are legally enforceable agreements between a POU and a supplier (for example, a broker or power plant owner) for electricity deliveries in the future. The terms and conditions of these contracts are set by the two contracting parties, but include the timing and delivery point of specific amounts of energy or capacity and the price (or a price-determining formula). Examples of bilateral contracts include are:

- Forward energy
- Capacity
- Tolling agreement
- Physical call or put option

In Form 1.a (POU), please divide the sum of all bilateral contracts for power supplies into the following subcategories:

- Renewable resource contracts, and
- All other bilateral contracts

Other Resources

Under "Other Resources," please provide cost projections for future power supplies not already reported in Form 1.a as "Utility-Owned Generation" or as a type of "Purchased Power," because the ownership of these supplies is unknown by the POU at this time.

Transmission Expenses

Form 1.a (POU) provides three subcategories for reporting transmission expenses:

- Operations and maintenance of utility-owned transmission system
- Payments JPAs for transmission investments/services
- Other transmission-related expenses

Operations and maintenance expenses of the utility-owned transmission system include the POU's cost of labor, materials, and other supplies and services for operating (for example, load dispatching) and maintaining utility-owned transmission facilities. Transmission facilities include substations, switching stations, towers, poles, and overhead and underground lines.

California's POUs have co-funded transmission line projects through JPAs, including the Transmission Agency of Northern California and the Southern California Public Power Agency. JPAs own these transmission facilities, but the participating POUs are obligated to help pay for a project's capital and operating costs and debt service through service agreements. POUs are requested to report their annual payments to JPAs for these transmission investments/services. These expenses represent a POU's share of operating expenses, capital costs, and long-term debt service for JPA-owned transmission projects as well as other services.

POUs may use "Other transmission-related expenses" to document costs for transmitting POU electricity over transmission facilities owned by others, such as the Western Area Power Administration, IOUs, and other private-sector owners.

Distribution Expenses

POUs' distribution expenses include the cost of labor, materials, and other supplies and services for operating and maintaining utility-owned distribution facilities. Distribution facilities include substations, line transformers, voltage regulators, poles, overhead and underground lines, utility-owned streetlights and signals, and meters.

Each POU is requested to provide an aggregate of all its distribution-related operations and maintenance expenses (recent historical and projected) in this line of Form 1.a (POU).

Customer-Related Expenses

POUs' customer-related expenses include the cost of labor, materials, and other supplies and services for the following activities:

- Meter reading
- Billing and collection
- Service connections and disconnections
- Advertising

In Form 1.a (POU), please provide an aggregated annual sum for all customer-related service expenses. Do not include customer service and information expenses incurred to implement the POU's public benefit programs.

General and Administrative Expenses

Form 1.a (POU) requests recent historical and forecasted financial data regarding each POU's general and administrative (G&A) expenses. G&A expenses include salaries and wages for POU officers and employees who provide services not assignable to a specific utility function (for example, generation, transmission, distribution, customer service). Other G&A expenses include property and injury-related liability insurance, employee pensions and benefits, and regulatory commission expenses.

For POUs that are electric departments, G&A expenses also include fund transfers for services provides to the electric department by other city departments, such as Finance, Human Resources, Mayor, City Manager, City Council, City Clerk, Administrative Services, Planning and Building Services, and Information Technology.

Public Benefit Programs

POUs are required by state law to fund the following types of public benefits programs with a use-based charge on local distribution service:

- Demand-side management to promote energy efficiency and energy conservation
- Renewable energy resources and technologies
- Research, development, and demonstration programs
- Low-income rate discounts and energy efficiency services

POUs must also fund a solar initiative program that invests in solar energy system installations on residential and commercial buildings.

Form 1.a (POU) requests each POU to provide recent historical data and a forecast of its operating expenses to implement each of three public benefit programs:

- Low income
- Energy efficiency (that is, demand-side management)
- California Solar Initiative
- All Other Public Benefit Programs

The costs of implementing other public benefit programs should be aggregated and reported separately in Form 1.a (POU) as "All other public benefit programs."

Operating Expenses Not Already Reported

Form 1.a (POU) includes this row for POUs to report and forecast all other operating expenses, if any.

Capital Improvement Plan Projects

All POUs have long-range plans, usually four to six years, which identify capital projects and equipment purchases. Some capital projects are financed by issuing debt instruments, while others are financed from the POU's annual revenues. A POU's governing board or city council appropriates utility revenues for selected projects through a capital improvement budget.

Form 1.a (POU) requests annual financial data for capital project expenditures funded by utility revenues rather than debt instruments. Capital project expenditures are divided into the following project categories:

- Generation
- Transmission System
- Distribution System
- Other

Generation

Capital expenditures for utility-owned generation include the cost for land and land rights, structures and improvements, the installed cost of all power plant equipment, and asset retirement costs. Hydroelectric capital expenditures also include the cost of dames, reservoirs, and waterways.

Transmission

Capital expenditures for the utility-owned transmission system include land and land rights, structures and improvements, and the installed cost of station

equipment, towers and fixtures, poles and fixtures, overhead conductors and devices, underground conduit, underground conductors and devices, roads and trails and asset retirement costs.

Distribution

Capital expenditures for the utility-owned distribution system include land and land rights, structures and improvements, and the installed cost of station equipment, poles, towers and fixtures, overhead conductors and devices, underground conduit, underground conductors and devices, line transformers, meters, street lighting and signal systems, and asset retirement costs.

Form 1.a (POU) requests an aggregate of financial data on all distribution system capital improvement projects, except deployment of advanced metering systems.

Distribution Cost Detail on Advanced Metering System Projects

Form 1.a (POU) requests a separate breakout of recent and projected capital expenses to deploy advanced metering systems. POUs would install advanced meters to accomplish one or more of the following objectives:

- Reduce the cost to serve customers (that is, reduce labor costs for on-site meter reading and "back office" customer service),
- Offer time-based electricity pricing and incentives,
- Develop demand-response capability,
- Conduct load research (for example, gather information on time of use and peak load-shed opportunities), and
- Enhance customer-communication capability.

All Other Capital Improvement Projects

Please report the sum of all other types of capital improvement project expenditures in this section of Form 1.a. Examples of other capital improvement projects include the following:

- Office furniture and equipment
- Transportation and power-operated equipment
- Stores equipment (that is, equipment used for receiving, shipping, handling and storing materials and supplies)
- Tools, shop and garage equipment
- Communication equipment

POUs should also use this section of Form 1.a to report capital improvement expenses associated with their public benefit programs, if applicable. Please add a footnote at the bottom of this form, which explains that the reported amount includes capital costs for public benefit-related projects.

Debt Service

Debt service is the sum of a POU's repayments of principal and interest due each year on its outstanding long-term debt (for example, revenue bonds) and commercial paper notes, and trustee fees and debt issuance costs.

Reserve Fund Contributions

POUs make annual contributions to various reserve funds, such as rate stabilization funds, insurance and accident reserve funds, bond payment reserve funds, and credit support collateral reserve funds.

Please provide an aggregated total of all contributions to the POU's various reserve funds.

Survey Questions: Please provide a written response to these questions in a Word file. If applicable, what is the current balance of the rate stabilization fund? What is the desired dollar amount or financial target for this fund?

Transfers to City General Fund, Payments In Lieu Of Taxes, and Other Fees

When a POU is an enterprise business within a municipal governmental, the City Charter may direct the electric utility department to make annual contributions to the city's General Fund. Such contributions may also be referred to as "Payments In Lieu of Taxes." POUs may also pay other municipal fees, such as "right of way" fees.

Please provide recent historical and an annual forecast of annual payments to the City General Fund and other municipal fees.

For POUs that are electric departments, do not include in this portion of the form fund transfers to other city departments for G&A services. Please include such transfers in the G&A line of Operating Expenses section.

INSTRUCTIONS FOR FORM 1.B (POU)
Revenue Allocation by Customer Class

A POU's completed Form 1.a (POU) should provide a reasonable estimate of its annual revenue requirements for operating expenses, capital improvement project expenses, debt service, and other monetary needs. POUs receive income from multiple sources to pay these annual expenses, including retail electricity sales, surplus electricity and natural gas sales, interest earnings on savings accounts, sales of surplus property, and grants.

The purpose of Form 1.b (POU) is to determine:

1) How much of each POU's annual revenue requirements it intends to earn through retail electricity sales, and

2) For the retail-sales portion only, how much revenue does the POU intend to recover from each of the following classes of retail customer:

    - Residential/Domestic
    - Commercial
    - Industrial
    - Agricultural, and
    - All other customer classes (for example, street lighting).

These five customer classes match those used by Energy Commission staff to forecast electrical demand, however, they may not match how some utilities define their commercial and industrial customer classes. Some POUs define their commercial and industrial customers by size only (for example, "small," medium," and "large"), based on average monthly consumption and have rate schedules for similar-sized commercial and industrial customers. For example, small commercial and small industrial customers can be on the same rate schedule.

Thus, completing Form 1.b (POU) may be a challenge for POUs with size-based systems for classifying commercial and industrial customers, because rate schedules (and forecasted sales revenue) are not linked directly to discrete classes of "commercial" and "industrial" customers.

The Energy Commission staff recognizes this problem and recommends the following, temporary solution. To overcome potential differences in how the Energy Commission and individual POUs define "commercial" and "industrial" classes, the Energy Commission staff requests that those POUs with size-based

rate schedules use the following approach to assign rate schedules to either the commercial or industrial classes:

- Use rate schedules for “small” and “medium”-sized customers as the proxy for all “commercial” customers
- Use rate schedules for “large”-sized customers as the proxy for “industrial” customers.

INSTRUCTIONS FOR FORM 1.C (POU)
Retail Electricity Sales by Customer Class

This form collects each POU's sales data by customer class.

The Energy Commission staff requests each POU to provide a forecast of retail sales of electricity – in megawatt-hours (MWH) – by the following customer classes:

- Residential
- Commercial
- Industrial
- Agricultural
- All Other Customer Classes

The POU may state "See Demand Forecast Form 1.1 – Retail Sales of Electricity by Class or Sector" in Form 1.c rather than provide data, if the data the POU submitted to the Energy Commission in its Form 1.1 is identical to the data it would have reported in Form 1.c.

Repeating data from Demand Forecast Form 1.1 may not be possible, however, if the POU's previous demand forecast was based on the POU's own method of classifying customers. For example, data in Form 1.1 would not be transferable if the POU aggregated its agricultural sales into the sales reported as "all other" customer classes (for example, water pumping, streetlight), or if its Form 1.1 did not included sales to industrial customers.

INSTRUCTIONS FOR FORM 2 (POU)
Electricity Sales in 2005 by Commercial/Industrial Rate Schedule and Selected NAICS Categories

Many California POUs classify their commercial and industrial customers by size (for example, small, medium, large, based on average monthly electric demand) rather than having separate classes for commercial and industrial customers. They assign businesses to rate schedules using this classification method; both commercial and industrial customers of similar size buy power under the same rate schedules. The purpose of this form is to enable the Energy Commission staff to determine – for utilities that classify their commercial and industrial customers by size only – which rate schedules represent a utility's commercial customers and which represent its industrial customers.

A utility's current rates are the starting point for Energy Commission forecasts of retail electricity prices. Since the Energy Commission staff forecasts retail prices by customer type (for example, commercial, industrial) rather than size, it must select rate schedules for each utility that represent current commercial and industrial retail prices. In the past, Energy Commission staff assumed that a utility's rate schedules for "small" and "medium"-sized business customers were serving its "commercial" customers and its rate schedules for "large" businesses were serving its "industrial" customers. Information collected through this form will confirm or disprove that assumption.

With assistance from the Energy Commission's Demand Analysis Office, the following NAICS category codes were selected to define "commercial" businesses: 115, 42, 44-45, 493, 512, 518210, 52, 53, 54, 55, 561, 61, 62 (excluding 62191), 71, 72, 81 (excluding 81293 and 814), and 92 (excluding 92811). The following NAICS category codes were selected to represent "industrial" businesses: 11331, 21, 23, 31-33, and 511.

The Energy Commission staff designed a unique form for each POU that identifies the rate schedules in question by title and code. These rate schedules were selected by Energy Commission staff, because the staff believes they represent the ones most commonly used by the utility's commercial and industrial customers for buying electric service.

If a POU does not have NAICS-code information for customers on the selected rate schedules, it need not complete Form 2. The POU must explain in writing why it did not complete Form 2 and identify which rate schedule on Form 2 represents a majority of its "industrial" customers.

INSTRUCTIONS FOR FORM 4 (POU)
Pricing Factors for Purchased Power

The purpose of Form 4 is to collect data that reveals how prices paid for electricity purchased through bilateral contracts can change during the term of those contracts. Cost components within a supply contract (for example, O&M, fuel) are allowed to increase or decrease according to an escalation factor or price index assigned to that component. The data collected through Form 4 will enable the Energy Commission staff to analyze the sensitivity of purchased power costs to changes in these price indices or escalation factors.

Each POU is requested to separate its renewable-resource power contracts from all other types of bilateral contracts. ESPs should not include power purchased through residual market transactions (for example, short-term and spot market purchases) on this form.

For its renewable contracts, the POU must determine whether any of these contracts contain price indexes or escalation factors. The following list provides examples of possible price indices or escalators:

- Those indexed to the price of natural gas,
- Those that are based on a published price for wholesale electricity, such as Dow Jones.
- Those that do not escalate, such as fixed price contracts.

For all of its other types of bilateral contracts, the POU must also determine whether any of these contracts contain price indexes or escalation factors.

For all renewable contracts with natural gas price indices, please calculate the value of energy within these contracts that is tied to natural gas prices and report that value in the appropriate row of Form 4 (POU). If more than one renewable contract has a natural gas price index, but different renewable contracts contain different natural gas price indices, then the POU is requested to calculate a weighted average natural gas price index and report this price index on Form 4.

For all renewable contracts with other price escalators, please calculate the value of energy within these contracts that is tied to the other price escalators and report that value on Form 4. If more than one renewable contract has a price index (or escalator) other than a natural gas price index, but different renewable contracts contain different “other” price indices, then the POU is requested to calculate a weighted average of those “other” price indices or escalators and report this price index on Form 4.

For all renewable contracts with no price escalators, please calculate the value of energy within these contracts that is fixed price and report that value on Form 4 (POU).

For all other types of bilateral contracts, the POU is requested to repeat the same process:

- Identify which contracts have natural gas price indices
- Calculate the value of purchases priced to a natural gas-price index
- Provide the natural gas price index that is being used or calculate a weighted average of all natural gas price indices that are used
- Identify which contracts have other escalation factors
- Calculate the value of purchases priced by these other escalation factors
- Provide the other escalation factor that will be used or calculate the weighted average of all other escalation factors
- Identify the value of all other bilateral contracts that are fixed price
- Separate these fixed priced contracts between capacity and energy contracts
- Calculate the value for all fixed-price energy contracts and all fixed-price capacity contracts
- Provide all of these values in the rows provided on Form 4.

APPENDIX A: APPLICATION FOR CONFIDENTIAL DESIGNATION

APPLICATION FOR CONFIDENTIAL DESIGNATION

(Title 20 Cal. Code. Regs., § 2505 et seq.)

TO: ENERGY COMMISSION EXECUTIVE DIRECTOR, MS-39

ENERGY COMMISSION CONTRACT/DOCKET NO. (IF APPLICABLE):

_____

APPLICANT: _____

ADDRESS: _____

1(a). Title, date, and description (including number of pages) of the information or data for which you request confidential designation. **Information or data seeking a designation of confidentiality must be included with this application.**

_____
_____
_____
_____

1(b). Specify the part(s) of the information or data for which for which you request confidential designation.

_____
_____
_____
_____

2. State and justify the length of time the Energy Commission should keep the information or data confidential.

_____
_____
_____
_____

3(a). State the provision(s) of the Public Records Act (Gov. Code, § 6250 et seq.) or other law that allows the Energy Commission to keep the information or data confidential, and explain why the provision(s) apply to that material.

_____
_____
_____
_____

3(b). Discuss the public interest in nondisclosure of the material submitted for a confidential designation. If the material contains trade secrets or its disclosure would otherwise cause loss of a competitive advantage, please state how it would be lost, the value of the information to the applicant and the ease or difficulty with which the information could be legitimately acquired or duplicated by others.

4. State whether the information or data can be disclosed if it is aggregated with other information or masked to conceal certain portions (including but not limited to the identity of the applicant). State the degree of aggregation or masking required. If the data cannot be disclosed even if aggregated or masked, explain why.

5. State how the material is kept confidential by the applicant and whether it has even been disclosed to a person other than an employee of the applicant. If it has, explain the circumstances under which disclosure occurred.

I certify under penalty of perjury that the information contained in this application for confidential designation is true, correct, and complete to the best of my knowledge and that I am authorized to make the application and certification on behalf of the applicant.

Dated: _____

Signed: _____

Name (print or type): _____

Title: (print or type) _____

Representing: _____

Include additional signature blocks if there are multiple partners in the project with shared responsibilities for making the request.